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NEC BRIEFING

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8 April 1987

State Department review completed

## MIDDLE BAST DEVELOPMENTS

- In <u>Jordan</u>, Prime Minister Habulai and his leftist-dominated cabinet appear to have won a decisive test of strength with King Museain.
  - A. Cabinet's threat (31 Mar) to resign has thusfar proved a successful maneuver to thwart King's plans for sweeping Gov't changes.
    - 1. Cabinet was convinced that King could not form new Gov't with sufficient popular support to maintain order unless present cabinet parties were included. They were prepared to call out the leftist mobs, and Habulei even appealed to Jordan's Communists "to stand by and be ready to fight the king."

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Euseain apparently yielded, to avoid civil war and loss of his throne.

B. Cabinet's latest reported move (2 Apr) -- decision to establish diplomatic relations with USSR--appears a calculated gesture of defiance to King and to West.

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- III. As to Sues Canal issue, French and British may they intend to take matter to UE Security Council, in effort to satisfy public epinion at home.
  - A. Inraelis continue assertion they will send "test" ship through canal "soon."
  - B. Thus far, transiting vessels of more than a domen nationsincluding Italy, West Germany, Metherlands, Moreny, Sweden, Greece, Liberia and Panama--have paid tells to Egypt.
    - 1. Some have run afoul of Egyptian regulations demanding payment in specified convertible currencies.
- IV. On Galf of Agaba problem, King Saud has repeated unyielding stand against Israeli freedom of passage.
  - A. On 30 March, Saud told US charge this "a matter of life and death to us and to our country," swore to defend Straits, whatever the cost.

B. Saudi Royal Counselor Yasin also told charge that to make Tiran Straits international waters would be to "thrust a spear into our vitals."

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- D. Meanwhile Israeli-chartered vessels continue to use straits without hindrance.
  - A VS-owned tanker, carrying Iranian oil, is expected to arrive at Eilat 3 Apr.